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Indonesia Poultry Update

Overall broiler population for 2006 is expected to be consistent with 2005 at about 840 million head. Broiler meat production for 2006 is expected to increase due to consumers preferring a bird with a larger average live weight. Broiler population for 2007 is forecast to increase 5 percent.

Poultry consumption in Indonesia is expected to increase 5 percent in 2007. Consumer confidence in chicken has come back. There is a reported increase in restaurants serving chicken in urban areas. Broiler meat consumption for 2006 is estimated at 688,000 tons or 3.1 kg/capita/year. The further development of further processed poultry products has helped in increasing consumer demand.

AI in Indonesia is endemic. AI was first reported the country in late 2003 and since then has been reported in twenty-nine of its thirty-three provinces. Effective control of the disease has been hindered by lack of consistent reporting, lack of enforcement of animal movement controls and bio-security measures, and the sophistication to implement strict bio-security measures. One of the biggest problems is people that are hesitant to report outbreaks promptly. Indonesia is currently the country with the highest reported number of human deaths from AI. Even with 48 deaths linked to AI in the country consumer awareness and knowledge are still very low.

The ban on imported chicken parts implemented in 2000 is still in effect. As a result poultry meat imports from the U.S. dropped sharply and most imported poultry products came from Singapore. Turkey and ducks are the potential imported poultry from the U.S. along with processed poultry-based products. Poultry exports from Indonesia to Japan, although small in the past, were reduced to zero due to a Japanese ban due to AI.

Even though Indonesia still faces many problems due to AI, a few poultry businesses continue to expand feed meal production and breeding farm investment in anticipation of future growth in consumer poultry production. Local analysts estimate that 60 percent of the estimated 11-12 million ton capacity of the feed milling industry is currently being utilized.

In an attempt to increase efforts to fight AI in Indonesia the Indonesian government has announced a plan to vaccinate about 300 million poultry. The vaccinations are scheduled to begin next month. The government plans to have 60 million poultry vaccinated by December. The plan to vaccinate comes as the Indonesian government finds itself in the middle of harsh criticism that not enough is being done to prevent the spread of AI in Indonesia.

Indonesia has also announced that it will expand the culling of backyard poultry. The country also announced that it is rolling out a widespread public awareness campaign about AI on television and radio stations.

Source: USDA/FAS/Various News Wires

Poultry Inventories In Indonesia (Includes Ducks) (In Head)

	2004	1,181,950,196
	2005	1,283,701,504
	2006	1,347,322,899
Forecast	2007	1,400,000,000

Poultry Meat Production (Includes Ducks) (In Metric Tons)

	2004	1,213,105
	2005	1,283,163
	2006	1,347,321
Forecast	2007	1,415,000

Egg Production (Includes Ducks) (In Metric Tons)

	2004	1,107,325
	2005	1,148,405
	2006	1,182,857
Forecast	2007	1,240,000

Compound Feed Capacity (In 1,000 Metric Tons)

	2004	10,000
	2005	11,000
	2006	11,000
Forecast	2007	11,000

Total Compound Feed Produced (In 1,000 Metric Tons)

	2004	6,549
	2005	6,839
	2006	7,348
Forecast	2007	7,830

Source: USDA/FAS

INSPECTED EGG PRODUCTS-**U.S. & CANADA IMPORT/EXPORT TRADE****U.S. Exports to Canada, in Pounds (000) (Preliminary)**

Week Ending September 02, 2006	Year-To-Date			
TYPE	2006	2005 1/	2006 2/	2005
Liquid	308	305	6,925	12,212
Frozen	0	0	172	42
Dried	11	0	410	488
Total	319	305	7,507	12,742

U.S. Imports From Canada, in Pounds (000) (Preliminary)

Week Ending September 02, 2006	Year-To-Date			
TYPE	2006	2005 1/	2006 2/	2005
Liquid	150	94	2,472	4,923
Frozen	12	3	766	511
Dried	0	0	66	371
Total	162	97	3,304	5,805

Inspected Shell Eggs**U.S Exports To Canada, In 30-Dozen Cases (Preliminary)**

Week Ending September 02, 2006	Year-To-Date			
TYPE	2006	2005 1/	2006 2/	2005
Jumbo	0	0	150	129
Extra Large	3,810	5,580	59,781	159,088
Large	3,080	6,740	114,301	276,371
Medium	1,530	990	63,342	87,379
Ungraded	3,296	4,380	88,108	76,840
Misc	0	0	6,195	8,053
Total	11,716	17,690	331,877	607,860

1/ Comparable Week, to-date figures may not total due to rounding.

2/ Includes revisions to previous week(s).

Data Source: Agriculture and Agri-Food Canada, AISD, AID, Poultry Section
Source: USDA/AMS Poultry Programs, Market News Branch.**CENTRAL REGION MECHANICALLY SEPARATED CHICKEN**

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE CENTRAL REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

September 08, 2006

CHICKEN WITH SKIN ADDED

--- PRICES ---		---- VOLUME ----		
FAT	FROZEN	FRESH	TOTAL	EXPORT
CONTENT				
15% OR LESS				
RANGE	-	18.00	81,600	-
WTD AVERAGE		18.00		
15-20%				
RANGE	14.00-20.00	14.00-17.00	1,772,800	924,000
WTD AVERAGE	16.16	15.67		
20% OR MORE				
RANGE	-	-	-	-
WTD AVERAGE				

* INCLUDES THE STATES of AL, AR, IA, IL, IN, KS, KY, LA, MI, MN, MO, MS, ND, NE, OK, OH, SD, TN, TX, WI

U.S./CANADIAN LIVE POULTRY SLAUGHTERED UNDER INSPECTION

W/E 2-Sep-06 (PRELIMINARY)

U.S. Fowl Slaughtered Domestically

	Light Hens	Heavy Hens	Total Hens
-----Thousands-----			
Head	931	1,557	2,488
Last Week	955	1,553	2,508
Same week yr ago	1,369	1,338	2,707
To-date/2006	38,718	52,005	90,723
To-date/2005	52,427	49,895	102,322

U.S. Fowl Slaughtered in Canada

	Light Hens	Heavy Hens	Total Hens
-----Thousands-----			
Head	50	0	50
Last Week	97	0	97
Same week yr ago	289	0	289
To-date/2006	5,776	23	5,799
To-date/2005	9,233	40	9,273

Data Source: Agriculture and Agri-Food Canada, AISD, AID, Poultry Section

Total U.S. Fowl slaughtered in the U.S. and Canada

	Light Hens	Heavy Hens	Total Hens
-----Thousands-----			
Head	981	1,557	2,538
Last Week	1,052	1,553	2,605
Same week yr ago	1,658	1,338	2,996
To-date/2006	44,494	52,028	96,522
To-date/2005	61,660	49,935	111,595

Source: USDA/AMS Poultry Programs, Market News Branch

EASTERN REGION MECHANICALLY SEPARATED CHICKEN

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE EASTERN REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

September 08, 2006

CHICKEN WITH SKIN ADDED

--- PRICES ---		---- VOLUME ----		
FAT	FROZEN	FRESH	TOTAL	EXPORT
CONTENT				
15% OR LESS				
RANGE	17.50	17.00-18.00	546,000	266,000
WTD AVERAGE	17.50	17.43		
15-20%				
RANGE	15.50-21.00	13.00-17.00	1,992,000	1,032,000
WTD AVERAGE	18.59	14.79		
20% OR MORE				
RANGE	-	14.00	120,000	-
WTD AVERAGE		14.00		

* INCLUDES THE STATES of CT, DE, FL, GA, MA, MD, ME, NC, NH, NJ, NY, PA, RI, SC, VA, VT, WV

NATIONAL YOUNG TURKEY PARTS AND BULK MEAT, INCLUDING BULK MEAT and FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS AS OF 08 SEPTEMBER 2006.

The market tone on tom breast meat and destrapped tenderloins was fully steady to firm for prompt shipments, wing meat and breast trim steady to fully steady and scapula at least steady. Demand was moderate to good for prompt shipments on breast meat and destrapped tenderloins, balance of white meat light to mostly moderate. Some interest was noted on contracts for 2006 and 2007. Offerings short to instances light with scapula the most available. The market tone on tom 2-joint wings was fully steady to firm for prompt shipments, however, instances of unsettledness was noted for deferred deliveries. The balance of tom bulk parts was steady to fully steady. Demand moderate. Offerings short to adequate. Trading was active on fresh tom breast meat, balance slow to moderate. For domestic: fresh wing meat with skin 102-108 mostly 102, Grade A non-basted 8-10 lb. breasts 140 and 12-16 lb. breasts 190 cents delivered. For export: Grade A basted 8-10 lb. breasts 109 shipping point, fresh tom drums 38-39, tom 2-joint wings 51 delivered October-December, tom defatted gizzards 75 cents delivered October.

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME	WEEKLY	WEEKLY
FRIDAY, SEPTEMBER 08, 2006	RANGE	CODE 1/	PRICE	(000)	PRICE	VOLUME
DRUMSTICKS, TOMS	39.00		39.00	208	40.13	408
WINGS FULL-CUT - TOMS	59.00		59.00	52	59.00	52
WINGS, V-TYPE, TOM						
TAILS		R	33.50	40	33.50	40
MECHANICALLY SEPARATED 2/	20.00-21.00		20.75	160	20.50	240
THIGH MEAT - FROZEN	79.00-82.00		80.74	95	81.97	362

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME
THURSDAY, SEPTEMBER 07, 2006	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS	40.00-43.50		41.75	80
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS	33.50		33.50	40
MECHANICALLY SEPARATED 2/	20.00		20.00	40
THIGH MEAT - FROZEN	81.00-81.50		81.28	92

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME
WEDNESDAY, SEPTEMBER 06, 2006	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS	41.00		41.00	120
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS		F	33.00	29
MECHANICALLY SEPARATED 2/	20.00		20.00	40
THIGH MEAT - FROZEN	83.00		83.00	175

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME
TUESDAY, SEPTEMBER 05, 2006	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS		F	43.87	188
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS		F	33.00	29
MECHANICALLY SEPARATED 2/		F	20.60	200
THIGH MEAT - FROZEN		R	81.56	288

NO EXPORT TRADING REPORTED

MONDAY, SEPTEMBER 04, 2006

DUE TO LABOR DAY HOLIDAY

1/ CODES FOR LAST SIGNIFICANT TRADE (L.S.T.): M=MONDAY T=TUESDAY W=WEDNESDAY R=THURSDAY F=FRIDAY
2/ Product contains 15-20% fat with skin added.